

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**HB 539 - SB 1167**

March 18, 2017

**SUMMARY OF BILL:** Authorizes any owner of a building, structure, or premises located in a county or municipality that has opted for exemption from statewide building standards for one-family and two-family dwellings, pursuant to Tenn. Code Ann. § 68-120-101 (b)(1)(B), to request the State Fire Marshal (SFM) inspect such building, structure or premises and, upon determining that the one-family or two-family dwelling meets statewide standards, issue documentation to the dwelling owner evidencing that the dwelling meets such standards.

**ESTIMATED FISCAL IMPACT:**

**NOT SIGNIFICANT**

Assumptions:

- Pursuant to Tenn. Code Ann. § 68-120-101(b)(1)(B)(i), the legislative body of a county or municipality may, by a two-thirds vote adopt a resolution exempting such county or municipality from the application of statewide standards for one-family and two-family dwellings located in the respective county or municipality's jurisdictional boundaries.
- Exemption from minimum statewide building construction safety standards relative to these dwellings does not exempt any dwelling owner from being required to receive an inspection; rather, it will determine which specific standards are applied in the inspection of the dwelling.
- For any inspection, the inspector conducting the inspection would be required to be licensed with the Home Inspector Licensing Program, attached to the Division of Regulatory Boards under the Department of Commerce and Insurance.
- Pursuant to Tenn. Code Ann. § 68-120-101(f)(1)(A), inspectors are contracted with by the SFM and are not deemed state employees for payroll purposes or otherwise.
- Pursuant to Tenn. Code Ann. § 68-120-101(f)(2)(A), inspectors receive a portion of the total cost paid for completion of an inspection, paid by the owner of the inspected dwelling.
- Whether or not a dwelling owner is located within an exempted county or municipality will not have an impact on the total number of inspections conducted by inspectors contracted with the SFM.
- This legislation is estimated to have no significant impact on inspection fee revenue received by a local issuing agent, the inspector, or the extent of funds allocated to the State Residential Housing Department Account.

## **IMPACT TO COMMERCE:**

### **NOT SIGNIFICANT**

#### Assumptions:

- This legislation will allow dwelling owners or potential dwelling owners with dwellings located in counties and municipalities which have chosen to be exempt from the minimum statewide building construction safety standards adopted by the SFM to have their dwellings inspected using standards which differ from those adopted by their respective county and municipality; however, this will not remove the requirement that such dwellings be inspected, resulting in no significant impact on the number of inspections performed by inspectors contracted with the SFM.
- This legislation is not anticipated to have any significant impact on commerce or jobs in this state.

## **CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink that reads "Krista M. Lee".

Krista M. Lee, Executive Director

/jdb